

Agency Action Review Meeting

***Directive
8.14***

DRAFT

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U. S. Nuclear Regulatory Commission

Volume: 8 Licensee Oversight Programs

NRR

Agency Action Review Meeting (AARM)

Directive 8.14

Policy (8.14-01)

It is the policy of the U.S. Nuclear Regulatory Commission to have its senior managers conduct an annual Agency Action Review Meeting (AARM). The AARM is an integral part of the evaluative process used by the agency to ensure the operational safety performance of nuclear licensees. The purposes of the AARM are (1) to review the agency actions resulting from the performance of nuclear reactor licensees for those plants with significant performance problems as determined by the reactor oversight process (ROP) action matrix, (2) to review results of the staff's assessment of ROP effectiveness, (3) to review industry performance trends, and (4) to review agency actions concerning materials licensees and emerging agencywide technical and policy issues.

Objectives (8.14-02)

- To allow senior NRC managers to review agency actions that have been taken for those plants with significant performance problems as determined by the ROP action matrix and recommend additional actions, as appropriate. (021)
- To ensure that coordinated courses of action are developed and implemented for licensees of concern. (022)
- To ensure the efficacy of the ROP in meeting the agency's strategic goals. (023)

Objectives

(8.14-02) (continued)

- To ensure that trends in industry and licensee performance are recognized and appropriately addressed. (024)
- To allow NRC senior managers to review agency actions that have been taken for those materials facilities with significant safety or safeguards issues, as applicable. (025)
- To inform the Commission, the public, and other external stakeholders of the meeting results. (026)

Organizational Responsibilities and Delegations of Authority

(8.14-03)

Executive Director for Operations (EDO)

(031)

- Oversees AARM activities and conducts the meeting. (a)
- Decides if any additional or alternate NRC actions besides those already completed or planned are to be conducted at a particular licensee's facility on the basis of discussions at the AARM. (b)
- Briefs the Commission on the results following each AARM. (c)

Director, Office of Nuclear Reactor Regulation (NRR)

(032)

- Develops guidance for coordinating AARM preparation activities. (a)
- Coordinates AARM preparations and discussions pertaining to nuclear reactors within NRR and between other NRC headquarters and regional offices. (b)
- Coordinates and conducts end-of-cycle (EOC) summary meetings, if necessary, on the basis of the results of the EOC reviews. (c)
- Develops assessment program policies and procedures, and ensures the effectiveness of program implementation. (d)
- Participates in the AARM. (e)

Regional Administrators
(033)

- Brief the Director of NRR and other internal stakeholders at the EOC summary meeting on the performance of licensees for operating reactors in their respective regions for those plants with significant performance problems as described in Part I(B)(3) of the handbook, as applicable. (a)
- Coordinate AARM preparations with the program offices. (b)
- Lead AARM discussions for reactor licensees in their respective regions. (c)
- Brief the Director of the Office of Nuclear Material Safety and Safeguards (NMSS) and other internal stakeholders on the performance of materials facilities within the region that are identified for discussion as a result of significant safety or safeguards performance issues, and lead the related AARM discussions, as applicable. (d)

**Director, Office of Nuclear Material
Safety and Safeguards (NMSS)**
(034)

- Coordinates preparations and discussions before the AARM pertaining to materials licensees and issues within NMSS, and among other NRC headquarters and regional offices. (a)
- Participates in the AARM and leads discussions, as necessary. (b)

Directors of Staff Offices
(035)

- Coordinate with program and regional offices in providing input to both the AARM and the EOC meeting, as applicable. (a)
- Participate in the AARM as specified in the applicable portions of the handbook or as directed by the EDO. (b)

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Chief, Regional Operations Staff,
Office of the EDO
(036)

- Coordinates AARM preparations with program and regional offices. (a)
- Prepares AARM agenda, summary, and action items. (b)

Applicability
(8.14-04)

The policy and guidance in this directive and handbook apply to all NRC employees.

Handbook
(8.14-05)

Handbook 8.14 provides guidance for the preparation and conduct of the AARM.

References
(8.14-06)

NRC Enforcement Manual.

NRC Inspection Manual Chapter 0305, "Operating Reactor Assessment Program."

— — — 0307, "Reactor Oversight Process Self-Assessment Program."

— — — 0350, "Staff Guidelines for Oversight of Operating Reactor Facilities in an Extended Shutdown as a Result of Significant Performance Problems."

— — — 2515, "Light-Water Reactor Inspection Program--Operations Phase."

Agency Action Review Meeting

***Handbook
8.14***

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Part I

Preparation for the Agency Action Review Meeting (AARM)

General (A)

The comprehensive reviews and preparations necessary to support the AARM are encompassed in the reactor oversight process (ROP) assessment program and are conducted in accordance with Inspection Manual Chapter (IMC) 0305, "Operating Reactor Assessment Program." End-of-cycle (EOC) reviews are conducted in each regional office using the most recent performance indicators and inspection findings from the previous 12 months. EOC summary meetings are also conducted at the conclusion of the EOC reviews to discuss the results with the Director of the Office of Nuclear Reactor Regulation (NRR) and other internal stakeholders for those plants with significant performance problems. (1)

Annual assessment letters are issued to all plants following the EOC reviews. A public meeting will also be conducted with each licensee to discuss the results of the NRC's annual assessment of the licensee's performance. (2)

NRR will assemble the background information necessary to support AARM discussions into a notebook called the AARM Executive Summary. As discussed in more detail later in this handbook, the AARM will include a review of (a) the agency actions resulting from the performance of nuclear reactor licensees for those plants with significant performance problems as determined by the action matrix, (b) the results of the staff's assessment of ROP effectiveness, (c) the results of the industry performance trends analysis, and (d) agency actions concerning materials licensees and agencywide technical and policy issues of interest. (3)

End-of-Cycle Reviews and Summary Meetings (B)

Each regional office will conduct an EOC review for all operating reactors within their purview in accordance with IMC 0305. The EOC review is a comprehensive assessment of licensee performance using the most recent performance indicators and inspection findings from the previous 12 months. The staff conducts EOC reviews to analyze licensee performance information from inspection reports and performance indicators, along with other pertinent data, to confirm NRC actions and allocate resources. The EOC reviews are conducted within 6 weeks of the end of the assessment cycle. (1)

The review of each plant will emphasize the discussion of adverse performance trends and the effectiveness of licensee self-assessments and corrective actions for identified problems. The information contained in the plant issues matrix (PIM) and performance indicators are used by meeting participants to independently assess plant performance. Future inspection plans will also be reviewed at these meetings. (2)

In addition, EOC summary meetings are conducted at the conclusion of the EOC reviews to discuss the results with the Director of NRR and other interested internal stakeholders for those plants the performance of which over the past annual assessment cycle has been in the "degraded cornerstone" column, the "multiple/repetitive degraded cornerstone" column, or the "unacceptable performance" column of the action matrix. The regional staff will also present the results for those plants that the regional offices consider to have substantive cross-cutting issues. The regional staff will coordinate with NRR to schedule and conduct the summary meetings. (3)

Annual Assessment Letters (C)

An annual assessment letter is produced for each plant on the basis of the results of the EOC reviews. This letter is issued to all plants within 3 weeks of completion of the EOC reviews in accordance with IMC 0305. (1)

The annual assessment letter will contain an overall statement of plant performance over the previous 12 months, a summary of risk-significant performance indicators or inspection findings, a discussion of substantive cross-cutting issues (as applicable), a summary of agency and licensee actions to address performance issues, and an inspection plan. (2)

Annual Assessment Letters (C) (continued)

As applicable, the letter will also note (a) the staff's plans to discuss a given plant with performance concerns at the upcoming AARM and (b) that a separate letter will be issued after the AARM if any agency actions changed as a result of the senior managers' discussions. (3)

Annual Meeting With the Licensee (D)

A public meeting with each licensee is conducted within approximately 16 weeks of the end of the assessment period to discuss the results of the NRC's annual assessment of the licensee's performance in accordance with IMC 0305. The meeting is conducted following the issuance of the annual assessment letters and may occur before or after the AARM based on scheduling priorities. (1)

The meeting is conducted on site or in the vicinity of the site so that it is accessible to members of the public. Participation and the scope of the meeting vary, based on licensee performance in accordance with the action matrix. (2)

Final Preparations for AARMs (E)

Following the EOC reviews, the headquarters and regional staff will work together to develop the information to be used at the AARM. NRR will assemble this information into a notebook called the AARM Executive Summary. The AARM Executive Summary will include (a) background papers that synopsise the performance of each plant to be discussed at the AARM; (b) a summary of the self-assessment of the ROP, including lessons learned and recommended policy adjustments; (c) the presentation and analysis of industry performance trends; (d) selected tables of relevant technical and regulatory information; (e) a meeting agenda; and (f) other information, as specified by the Executive Director for Operations (EDO). (1)

The cognizant regional office will prepare a narrative summary of plant performance for each plant to be discussed at the AARM. The narrative summary should be the plant performance summary used to support the EOC reviews and summary meetings, revised to incorporate any insights developed during those meetings. (2)

The regions will also verify the completeness and accuracy of the information contained in the Reactor Program System (RPS)

Final Preparations for AARMs (E) (continued)

regarding the PIMs and inspection plans for each plant to be discussed at the AARM. Upon notification by the regions, NRR will produce the PIM and inspection plan reports from the RPS for inclusion in the AARM Executive Summaries. NRR will also produce performance indicator reports from the ROP Web site for inclusion in the AARM Executive Summaries. (3)

NRR will prepare a final report on an annual basis that includes an analysis and a self-assessment of the ROP in accordance with IMC 0307, "Reactor Oversight Process Self-Assessment Program." The annual report of the ROP self-assessment will be forwarded to the Commission and included in the AARM Executive Summary. (4)

NRR will also prepare a final report on an annual basis that includes an analysis of industry performance trends. The annual report of the industry trend analysis will be forwarded to the Commission and included in the AARM Executive Summary. (5)

The AARM Executive Summaries will be distributed to AARM participants in advance of the meeting. (6)

The EDO will coordinate the identification of AARM discussion topics and will prepare the agenda for the meeting. (7)

Part II

Conduct of the Agency Action Review Meeting (AARM)

General (A)

As described in Inspection Manual Chapter (IMC) 0305, the AARM is part of an integrated evaluative process used by the agency to ensure the operational safety performance of nuclear licensees. The AARM includes a review of plants and facilities the performance of which is of most concern based on the results of the reactor oversight process (ROP) to confirm the appropriateness of agency actions. The AARM also includes a review of overall industry performance and trends and a review of the results of the ROP self-assessment. In addition to a review of those activities associated with the ROP, the AARM also serves as a forum for senior managers to discuss technical and policy issues of interest. (1)

As a result of the end-of-cycle (EOC) reviews, there may conceivably be no plants with performance concerns that would warrant discussion at the AARM. Since the AARM also serves as a forum to review overall industry trends, the effectiveness of the ROP, and other senior management issues, the AARM will be conducted on an annual basis regardless of whether any individual plants are to be discussed. (2)

Although AARM discussions focus primarily on the performance of power reactors, licensee performance at major fuel cycle and materials facilities licensed by the Office of Nuclear Material Safety and Safeguards (NMSS) may be discussed at the AARM when there are significant safety or safeguards performance issues. Potential discussions of licensee performance for NMSS-licensed facilities would be included as part of the AARM dealing with selected technical and policy issues. (3)

General (A) (continued)

The EDO will direct the conduct of the AARM. Participation will vary, depending on the portion of the AARM involved. The attendees will typically include, at varying levels, the Deputy Executive Director for Regulatory Programs; the Deputy Executive Director for Materials, Research, and State Programs; the Deputy Executive Director for Management Services; the Chief Financial Officer; the Chief Information Officer; the regional administrators; the Directors of NRR, NMSS, the Office of Nuclear Regulatory Research (RES), the Office of Enforcement (OE), the Office of Investigations (OI), and the Office of State and Tribal Programs; senior managers from the Office of the General Counsel; and other support personnel, as directed. Participation in each portion of the AARM will be as noted in the relevant sections of this handbook or as determined by the Executive Director for Operations (EDO). (4)

The AARM is conducted annually and typically occurs several weeks after issuance of the annual assessment letters that result from the EOC reviews. Following each AARM, licensees are informed of any NRC decisions or actions that differ from those conveyed in the annual assessment letters if any agency actions changed as a result of the senior managers' discussions. The Commission is briefed on the AARM results at a public meeting. (5)

Plant Performance Discussions and Review of Agency Actions (B)

The discussions of plant performance are led by the cognizant regional administrator. Plant performance discussions are limited to those plants that have been in the "multiple/repetitive degraded cornerstone" column or the "unacceptable performance" column of the action matrix at any time during the previous annual assessment cycle. (1)

Primary participants in the plant performance discussion portion of the AARM will include the EDO, the Deputy Executive Director for Regulatory Programs, the Director of NRR, and the regional administrators. In addition, the office directors of RES, OE, and OI, the General Counsel, as well as the Agency Allegations Advisor, may also participate if issues will be discussed pertaining to their areas of responsibility. (2)

Plant Performance Discussions and Review of Agency Actions (B) (continued)

As noted in IMC 0305, agency actions based on licensee performance are expected to be in accordance with the action matrix. Actions are taken as necessary to address performance issues as they are identified; the agency will not wait for annual reviews to take actions and allocate resources. The action matrix provides for a range of actions for the NRC to take to appropriately address plant performance issues. Because actions would be taken on an ongoing basis, the role of the AARM is more informational and confirmatory. The senior managers will review the agency's actions that have been planned or completed to confirm their appropriateness and effectiveness. (3)

As a result of AARM discussions, the senior managers may recommend additional or alternate actions and/or allocation of agencywide resources. This step may include conducting a special team inspection to ascertain the causes of the performance problems, holding discussions between senior officials of both the NRC and the licensee to further enhance the quality of communications, or convening a meeting with the Commission to review plant performance and licensee plans to improve performance. (4)

Any or all of the actions discussed in the applicable sections of IMC 0305 are appropriate for plants that are in the "multiple/repetitive degraded cornerstone" column or the "unacceptable performance" column of the action matrix. The objective of these actions is to ensure that the licensee establishes a plan for improvement that incorporates measurable goals to determine when performance has improved. Whether and when to take any one of these actions is a determination that will be made at the NRC's sole discretion. The contents of this handbook and IMC 0305 do not restrict the NRC from taking any necessary actions to fulfill its responsibilities under the Atomic Energy Act of 1954 (as amended). (5)

Reactor Oversight Process Self-Assessment (C)

The ROP self-assessment program evaluates how well the ROP meets its goals of being objective, risk-informed, understandable, and predictable, as well as meeting the agency's strategic performance goals of (a) maintaining safety; (b) increasing public confidence;

Reactor Oversight Process Self-Assessment (C) (continued)

(c) improving effectiveness, efficiency, and realism of NRC activities and decisions; and (d) reducing unnecessary regulatory burden. (1)

The ROP self-assessment program is implemented in accordance with IMC 0307, "Reactor Oversight Process Self-Assessment Program." The self-assessment program collects information from various sources, including data and feedback from both internal and external stakeholders. Self-assessment metrics are also used to assist the agency in determining if the ROP is meeting its stated objectives and the agency's strategic goals. This program is intended to assess the effectiveness of the ROP and to develop recommendations for improvement. (2)

NRR will prepare a final report on an annual basis that includes an analysis of the metrics and other relevant information. This report will be included in the AARM Executive Summary and will be used as the basis for discussions during the AARM regarding the ROP self-assessment. This report will be submitted to the Commission and made publicly available. (3)

Participants in the ROP self-assessment portion of the AARM will include the EDO, the Deputy Executive Director for Regulatory Programs, the Directors of NRR, RES, and OE, and the regional administrators. Other office directors may also participate as applicable and at the discretion of the EDO. (4)

Analysis of Industry Trends (D)

To meet a key agency performance goal of "no statistically significant adverse trends in industry safety performance," the NRC uses selected indicators to monitor industry performance. The data for these indicators can come from a variety of sources, such as data required to be reported to the NRC under 10 CFR Part 50.73, "Licensee Event Report System," Monthly Operating Reports, and data voluntarily submitted by licensees for the ROP. (1)

The industry data are compiled and examined for any significant trends in performance, particularly adverse trends. If any statistically significant trends are identified, the NRC conducts further examination of the data to determine what, if any, actions may be appropriate. (2)

Analysis of Industry Trends (D) (continued)

NRR will prepare a final report on an annual basis that includes a trend analysis of industry performance. This report will be included in the AARM Executive Summary and will be used as the basis for discussions during the AARM regarding the analysis of industry trends. This report will be provided to the Commission and made publicly available. (3)

Participants in the industry trends portion of the AARM will include the EDO, the Deputy Executive Director for Regulatory Programs, the Directors of NRR and RES, and the regional administrators. The office directors of OE and OI, the General Counsel, as well as the Agency Allegations Advisor, may also participate as applicable and at the discretion of the EDO. (4)

Other Discussions (E)

During the AARM, selected senior managers will lead discussions of pertinent technical and policy issues in accordance with the AARM agenda (including potential discussions of licensee performance for NMSS-licensed facilities). The Office of the EDO will develop this agenda on the basis of feedback from agency senior managers. Participants are expected to include an array of senior-level managers as determined by the EDO. (1)

The EDO will formally issue action items to the staff for issues requiring further action that are identified during the AARM. (2)

Correspondence Following the AARM (F)

In addition to the annual assessment letters, the NRC will issue separate letters to those plants discussed during the AARM if any agency actions changed as a result of the senior managers' discussions. These letters are issued within 1 week following completion of the AARM, and 2 to 3 weeks before the Commission briefing.

Commission Briefing (G)

The staff will brief the Commission on the AARM results at a public meeting, typically within 4 weeks following completion of the AARM. The staff delivering the briefing will typically include the EDO, the Director of NRR, the Director of NMSS (if NMSS-related facilities or issues are discussed at the AARM), and the regional administrators. (1)

Commission Briefing (G) (continued)

The briefing will include discussions of those plants that have significant performance problems and that were discussed during the AARM, if applicable. The staff's briefing will also include discussions of the results of the staff's self-assessment of the ROP, including lessons learned and recommended policy adjustments, and an analysis of industry performance trends. (2)

The briefing may also include additional topics discussed by the senior managers during the AARM, including possible discussions of licensee performance for NMSS-licensed facilities, as deemed appropriate by the EDO. (3)

Licensee representatives of those plants being discussed may also be given the opportunity to prepare and deliver briefings if deemed appropriate by the EDO or the Commission. (4)